



DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review, 2020-2021

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily finds that large power transformers from the Republic of Korea were not sold in the United States at less than normal value during the period of review (POR), August 1, 2020, through July 31, 2021.

Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: John Drury, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0195.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the antidumping duty order on large power transformers on August 31, 2012.¹ Commerce provided an opportunity to request an administrative review on August 2, 2021.² Between August 17 and 31, 2021, we received requests to conduct an administrative

¹ See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 86 FR 41436 (August 2, 2021).

review from Hyosung,³ Hyundai,⁴ ABB Inc. and SPX Transformer Solutions Inc (the petitioners),⁵ and Iljin Electric Co., Ltd.⁶

Commerce initiated this review on October 7, 2021.⁷ We selected one mandatory respondent in this review, Hyosung Heavy Industries Corporation (Hyosung). For a more detailed description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁸

On January 18, 2022, the petitioners requested the Commerce conduct on-site (or other) verifications of Hyosung. As provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon in determining the final results of review.

Scope of the Order

The scope of this *Order* covers large liquid dielectric power transformers having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete. The merchandise subject to the *Order* is currently classified in the Harmonized Tariff Schedule of the United States at subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540. This tariff classification is provided for convenience and Customs purposes; however, the written description of the scope of the *Order* is dispositive.⁹

³ See Hyosung's Letter, "Large Power Transformers from the Republic of Korea: Hyosung's Request for Administrative Review," dated August 17, 2021.

⁴ See Hyundai's Letter, "Large Power Transformers from South Korea: Administrative Review Request," dated August 17, 2021.

⁵ See the petitioners' Letter, "Large Power Transformers from Republic of Korea – Petitioners' Request for 2020/2021 Administrative Review," dated August 31, 2021. On January 20, 2022, counsel for the petitioners filed an amended entry of appearance, stating that ABB Enterprise Software Inc. changed its name to Hitachi Energy USA, Inc. On February 11, 2022, counsel for the petitioners filed an amended entry of appearance, stating that SPX Transformer Solutions, Inc. changed its name to Prolec-GE Waukesha, Inc.

⁶ See Iljin Electric Co., Ltd.'s Letter, "Antidumping Order on Large Power Transformers from Korea — Request for Administrative Review," dated August 31, 2021.

⁷ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 55811 (October 7, 2021).

⁸ See Memorandum, "Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Large Power Transformers from the Republic of Korea; 2020-2021," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁹ The full text of the scope of the *Order* is contained in Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(2) of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. A list of the topics discussed in the Preliminary Decision Memorandum is included as the appendix to this notice. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Rate for Non-Selected Respondents

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}." Hyosung is the only mandatory respondent. Accordingly, we have applied a rate of 2.38 percent from Hyosung to the non-selected companies.

Preliminary Results of Review

We preliminarily determine that, for the period August 1, 2020, through July 31, 2021, the following weighted-average dumping margins exist:

Producer/Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Heavy Industries Corporation	2.38
Hyundai Electric & Energy Systems Co., Ltd.	2.38
Iljin Electric Co., Ltd.	2.38
ILJIN	2.38
LSIS Co., Ltd. ¹⁰	2.38

Disclosure and Public Comment

We intend to disclose the calculations performed to parties in this administrative review within five days after public announcement of the preliminary results, in accordance with 19 CFR 351.224(b).

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs according to the timeline Commerce establishes after the issuance of the final verification report. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than seven days after the date for filing case briefs.¹¹ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹² Parties who submit case briefs or rebuttal briefs in this administrative review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹³

¹⁰ Commerce determined that LS Electric Co., Ltd. is the successor-in-interest to LSIS Co., Ltd. *See Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Final Successor-in-Interest Determination; 2018-2019*, 86 FR 30915 (June 10, 2021).

¹¹ *See* 19 CFR 351.309(d); *see also Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006, 17007 (March 26, 2020) (“To provide adequate time for release of case briefs via ACCESS, E&C intends to schedule the due date for all rebuttal briefs to be 7 days after case briefs are filed (while these modifications remain in effect).”)

¹² *See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

¹³ *See* 19 CFR 351.303 (for general filing requirements).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. An electronically filed hearing request must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.¹⁴

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, no later than 120 days after the date of publication of this notice, unless extended, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuing the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. If the weighted-average dumping margin for Hyosung is not zero or *de minimis* (*i.e.*, less than 0.50 percent) in the final results of this review, we will calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales and the total entered value of such sales in accordance with 19 CFR 351.212(b)(1).¹⁵ We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is above *de minimis* (*i.e.*, 0.50 percent). If Hyosung's weighted-average dumping margin is zero or *de minimis* in the final results of review, or if an importer-specific assessment rate is zero or *de minimis*,

¹⁴ See 19 CFR 351.310(c).

¹⁵ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8103 (February 14, 2012).

Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.¹⁶

In accordance with Commerce's "automatic assessment" practice,¹⁷ for entries of subject merchandise during the review period produced by each respondent for which it did not know its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate of 22.00 percent established in the investigation.¹⁸

For the companies which were not selected for individual review (*i.e.*, Hyundai Electric & Energy Systems Co., Ltd., Iljin Electric Co., Ltd., ILJIN, and LSIS Co., Ltd.), we will assign an assessment rate based on the cash deposit rate calculated for the company selected for mandatory review (*i.e.*, Hyosung).¹⁹ The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.²⁰

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication). The final results of this administrative review shall be the basis for the assessment of antidumping duties on entries of merchandise under review and for future cash deposits of estimated antidumping duties, where applicable.

Cash Deposit Requirements

¹⁶ *Id.*, 77 FR at 8102-03; *see also* 19 CFR 351.106(c)(2).

¹⁷ *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁸ *See Large Power Transformers from the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 77 FR 40857 (July 11, 2012).

¹⁹ *See* section 735(c)(5)(A) of the Act; *see also* Preliminary Decision Memorandum at Section VII, "Rate for Non-Selected Companies."

²⁰ *See* section 751(a)(2)(C) of the Act.

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Hyosung and other companies listed above will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or in the investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be the all-others rate of 22.00 percent, the rate established in the investigation of this proceeding.²¹ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

Commerce is issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act, 19 CFR 351.213(h)(2), and 19 CFR 351.221(b)(4).

Dated: August 31, 2022.

Lisa W. Wang,

²¹ See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Deadline for Submission of Updated Sales and Cost Information
- IV. Scope of the *Order*
- V. Discussion of the Methodology
- VI. Rate for Non-Selected Companies
- VII. Recommendation

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